

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 274 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-1.1-3-23, AS ADDED BY P.L.120-2003,
4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 MARCH 1, 2004 (RETROACTIVE)]: Sec. 23. (a) ~~For purposes of The~~
6 **following definitions apply throughout** this section:
7 (1) "Adjusted cost" refers to the adjusted cost established in 50
8 IAC 4.2-4-4 (as in effect on January 1, 2003).
9 (2) "Depreciable personal property" has the meaning set forth in
10 50 IAC 4.2-4-1 (as in effect on January 1, 2003).
11 (3) **"Displaces" means the transfer of jobs involving**
12 **production or manufacturing at or related to a special**
13 **integrated steel mill or oil refinery/petrochemical equipment**
14 **from Indiana to another country. The term does not include**
15 **a decrease in jobs in Indiana that is not part of a plan to**
16 **permanently transfer jobs from Indiana to another country.**
17 **Displacement does not occur if a taxpayer employs in**
18 **Indiana, during a calendar year, the same or a greater**
19 **number of employees than the taxpayer employed during the**
20 **immediately preceding calendar year.**
21 (4) "Integrated steel mill" means a person that produces steel by
22 processing iron ore and other raw materials in a blast furnace.
23 ~~(4)~~ (5) "Oil refinery/petrochemical company" means a person that

1 produces a variety of petroleum products by processing an annual
2 average of at least one hundred thousand (100,000) barrels of
3 crude oil per day.

4 ~~(5)~~ (6) "Permanently retired depreciable personal property" has the
5 meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1,
6 2003).

7 ~~(6)~~ (7) "Pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as
8 in effect on January 1, 2003).

9 ~~(7)~~ (8) "Special integrated steel mill or oil refinery/petrochemical
10 equipment" means depreciable personal property, other than
11 special tools and permanently retired depreciable personal
12 property:

13 (A) that:

14 (i) is owned, leased, or used by an integrated steel mill or an
15 entity that is at least fifty percent (50%) owned by an
16 affiliate of an integrated steel mill; and

17 (ii) falls within Asset Class 33.4 as set forth in IRS Rev.
18 Proc. 87-56, 1987-2, C.B. 647; or

19 (B) that:

20 (i) is owned, leased, or used as an integrated part of an oil
21 refinery/petrochemical company or its affiliate; and

22 (ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS
23 Rev. Proc. 87-56, 1987-2, C.B. 647.

24 ~~(8)~~ (9) "Special tools" has the meaning set forth in 50 IAC 4.2-6-2
25 (as in effect on January 1, 2003). ~~and~~

26 ~~(9)~~ (10) "Year of acquisition" refers to the year of acquisition
27 determined under 50 IAC 4.2-4-6 (as in effect on January 1,
28 2003).

29 (b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50
30 IAC 4.2-4-7, **and except as provided in subsection (h)**, a taxpayer
31 may elect to calculate the true tax value of the taxpayer's special
32 integrated steel mill or oil refinery/petrochemical equipment by
33 multiplying the adjusted cost of that equipment by the percentage set
34 forth in the following table:

35 Year of Acquisition	Percentage
36 1	40%
37 2	56%
38 3	42%
39 4	32%
40 5	24%
41 6	18%
42 7	15%
43 8 and older	10%

44 (c) The department of local government finance shall designate the
45 table under subsection (b) as "Pool No. 5" on the business personal

1 property tax return.

2 (d) The percentage factors in the table under subsection (b)
3 automatically reflect all adjustments for depreciation and obsolescence,
4 including abnormal obsolescence, for special integrated steel mill or oil
5 refinery/petrochemical equipment. The equipment is entitled to all
6 exemptions, credits, and deductions for which it qualifies.

7 (e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not
8 apply to special integrated steel mill or oil refinery/petrochemical
9 equipment valued under this section. The value of the equipment is not
10 included in the calculation of that minimum valuation limitation for the
11 taxpayer's other assessable depreciable personal property in the taxing
12 district.

13 (f) An election to value special integrated steel mill or oil
14 refinery/petrochemical equipment under this section:

15 (1) must be made by reporting the equipment under this section on
16 a business personal property tax return;

17 (2) applies to all of the taxpayer's special integrated steel mill or oil
18 refinery/petrochemical equipment located in the state (whether
19 owned or leased, or used as an integrated part of the equipment);
20 and

21 (3) is binding on the taxpayer for the assessment date for which
22 the election is made.

23 **However, a taxpayer whose election is invalid under this section**
24 **may claim depreciation and obsolescence, including abnormal**
25 **obsolescence, in the taxpayer's original or amended property tax**
26 **return as if the taxpayer did not make an election under**
27 **subsection (b), notwithstanding any other law.** The department of
28 local government finance shall prescribe the forms ~~to make the election~~
29 ~~beginning with the March 1, 2003, assessment date.~~ **required under**
30 **this section.** Any special integrated steel mill or oil
31 refinery/petrochemical equipment acquired by a taxpayer that has made
32 an election under this section is valued under this section.

33 (g) If fifty percent (50%) or more of the adjusted cost of a
34 taxpayer's property that would, notwithstanding this section, be
35 reported in a pool other than Pool No. 5 is attributable to special
36 integrated steel mill or oil refinery/petrochemical equipment, the
37 taxpayer may elect to calculate the true tax value of all of that property
38 as special integrated steel mill or oil refinery/petrochemical equipment.
39 The true tax value of property for which an election is made under this
40 subsection is calculated under subsections (b) through (f).

41 **(h) This subsection applies to assessment dates beginning after**
42 **February 28, 2005. A taxpayer may not make an election under**
43 **subsection (b) if the taxpayer displaces jobs during the calendar**
44 **year immediately preceding the assessment date for which the**
45 **election would be made. If a taxpayer makes an election under**

1 subsection (b) and, in a calendar year after the calendar year in
 2 which the election is made, displaces jobs, the department of local
 3 government finance shall disallow the election for the assessment
 4 date in the calendar year in which the displacement occurs.

5 (i) This subsection applies beginning with the March 1, 2005,
 6 assessment date and if all the following conditions are satisfied:

7 (1) A taxpayer that makes an election under subsection (b)
 8 is a party, or has employees in Indiana who are a party, to a
 9 collective bargaining agreement.

10 (2) The enforcement provisions of the collective bargaining
 11 agreement prohibit the displacement of jobs from Indiana to
 12 another country.

13 (3) The taxpayer displaces from Indiana to another country
 14 jobs that are covered by the collective bargaining agreement
 15 in a calendar year after the initial calendar year in which the
 16 taxpayer makes an election under subsection (b).

17 (4) It is determined under the terms of the collective
 18 bargaining agreement that the displacement described in
 19 subdivision (3) occurred contrary to the enforcement
 20 provisions of the collective bargaining agreement.

21 The election under subsection (b) is disallowed for the assessment
 22 date in the calendar year in which the determination described in
 23 subdivision (4) is made.

24 (j) Except as provided in subsection (i), the department of local
 25 government finance shall determine whether a taxpayer is eligible
 26 for an election under subsection (b) not later than March 30 of:

27 (1) the year in which the taxpayer makes the election; or

28 (2) any other year in which the election is in effect;

29 as applicable. A township assessor, county assessor, or county
 30 property tax assessment board of appeals may not disallow a
 31 taxpayer's election under subsection (b). The department of local
 32 government finance shall give notice by mail, and an opportunity
 33 for a hearing at least ten (10) days after notice is mailed, to a
 34 taxpayer whose eligibility is under review under this subsection.
 35 The notice must clearly state the department of local government
 36 finance's reasons for disallowing the election. If the department
 37 of local government finance does not make a final determination
 38 under this subsection by March 30 of the applicable year, the
 39 election is allowed for the assessment date of the applicable year.
 40 If the department of local government finance disallows a
 41 taxpayer's election under subsection (b), the taxpayer may appeal
 42 the department of local government finance's determination by
 43 filing a petition with the Indiana board not more than forty-five

1 **(45) days after the department of local government finance gives**
2 **the taxpayer notice of the determination. A petition filed under**
3 **this subsection is considered a petition filed under IC 6-1.1-15-3**
4 **for purposes of petition and review under IC 6-1.1-15."**

5 Page 2, after line 32, begin a new paragraph and insert:

6 "SECTION 3. [EFFECTIVE MARCH 1, 2004 (RETROACTIVE)]

7 **(a) IC 6-1.1-3-23, as amended by this act, applies:**

8 **(1) beginning with the March 1, 2004, assessment date; and**

9 **(2) to property taxes first due and payable after December**
10 **31, 2004.**

11 **(b) A taxpayer that makes an election under IC 6-1.1-3-23(b),**
12 **before its amendment by this act, may file an amended personal**
13 **property tax return for the March 1, 2004, assessment.**

14 **(c) The department of local government finance shall adopt**
15 **rules under IC 4-22-2 to implement this SECTION."**

16 Re-number all SECTIONS consecutively.

 (Reference is to ESB 274 as printed February 13, 2004.)

Representative Aguilera